

**Minutes of the  
Regular Meeting of the  
Board of Trustees of the  
Fire and Police Pension Fund, San Antonio  
11603 W. Coker Loop, Suite 201  
San Antonio, Texas  
November 28, 2018**

**PRESENT:** Chairman J. T. Trevino, Fire Representative; Vice Chairman Jim Smith, Police Representative; Mayoral Designee/Secretary W. Reed Williams; Councilman William “Cruz” Shaw; Councilman Clayton Perry; Jimmy Foster, Police Representative; Dean Pearson, Fire Representative; Larry Reed, Fire Retiree Representative; Harry Griffin, Police Retiree Representative.

**ABSENT:** None.

**OTHERS**

**PRESENT:** Warren Schott, Mark Gremmer, Gail Jensen, Rick Matye, Cary Hally, Sinclair Nagy, Jason Hsu, Pension Fund Staff; Frank Burney and Jon Lowe, Martin & Drought.

At 9:00 a.m., Chairman Trevino called the meeting to order. Roll was called, and a quorum was declared present.

**MINUTES:** Mr. Reed moved to approve the minutes of the regular meeting held October 31, 2018. The motion was seconded by Councilman Shaw and it carried unanimously.

**EDUCATIONAL**

**OPPORTUNITIES:** Mr. Reed moved to authorize Board members and appropriate staff to attend the following conferences:

1. Opal Public Funds Summit  
January 9-11, 2019
2. KORIED Plan Sponsor Educational Institute  
January 15-18, 2019
3. TEXPERS Legislative Conference  
January 22-23, 2019
4. IREI Institutional Real Estate Conference  
January 22-24, 2019
5. NCPERS Legislative Conference  
January 27-29, 2019
6. NEPC Public Fund Workshop  
January 31 – February 1, 2019

The motion was seconded by Mr. Pearson, and it carried unanimously.

**APPLICATIONS,  
ADJUSTMENTS  
AND REFUND OF****CONTRIBUTIONS:** Mr. Pearson made a motion to approve the following pension applications:Pension Applications

1. A 23 year, 7 month service pension for Detective Investigator Cindy G. Brown, effective December 1, 2018.
2. A 29 year, 7 month service pension for Police Lieutenant Paul Andrew Heitzman, effective December 1, 2018.
3. A 24 year service pension for Police Officer Charlie W. McInvale, effective December 1, 2018.
4. A 23 year, 9 month service pension for Police Officer Raymond A. Todd, Jr., effective December 1, 2018.
5. A 30 year, 2 month service pension for Assistant Fire Chief Michael T. Walsh, effective December 1, 2018.
6. A 30 year, 3 month service pension for Fire Engineer Rudy Durand, Jr., effective January 1, 2019.
7. A 31 year, 2 month service pension for Fire Engineer Edward J. Puente, effective January 2, 2019.

Beneficiary Pensions

1. A beneficiary pension for Mrs. Barbara Hollimon, widow of Active Fire Lieutenant Trevor N. Hollimon, effective October 19, 2018.
2. A beneficiary pension for Alexis Hollimon, dependent of Active Fire Lieutenant Trevor N. Hollimon, effective October 19, 2018, guardianship pending.
3. A beneficiary pension for Dylan Hollimon, dependent of Active Fire Lieutenant Trevor N. Hollimon, effective October 19, 2018, guardianship pending.

Refund of Contributions

1. A 2 year, 2 month refund of contributions for Firefighter James Bayless, effective October 22, 2018.

The motion was seconded by Mr. Griffin, and it carried unanimously.

Mr. Pearson made a motion to approve the following line of duty beneficiary pension applications:

1. A line of duty beneficiary pension for Mrs. Chrystal Woodcock, widow of Active Fire Lieutenant Todd S. Woodcock, effective June 27, 2016.

2. A line of duty beneficiary pension for Peyton Woodcock, dependent of Active Fire Lieutenant Todd S. Woodcock, effective June 27, 2016, guardianship pending.

The motion was seconded by Chairman Trevino.

Information was provided to the Board in support of the application by Mrs. Woodcock, Fire Captain Shawn Griffin and Fire Captain Jennifer Chadwick.

Upon the request of Vice Chairman Smith, Frank Burney, outside counsel, briefed the Board regarding prior decisions of the Board in similar cases, as well as his legal research and analysis of the issue.

Chairman Trevino asked if there were Members or others present who would like to be heard on the issue. Various individuals present spoke, some in favor of the applications and others against.

After much discussion by the Board, the following votes were taken:

Chairman Trevino – yes  
Vice Chairman Smith – no  
Mr. Foster – no  
Mr. Griffin – no  
Mr. Pearson – yes  
Councilman Shaw – no  
Councilman Perry – no  
Mr. Reed – yes  
Secretary Williams – no

The motion failed 3 votes for; 6 votes against.

Chairman Trevino stated that he planned to appoint a subcommittee to review various options to address pension coverage for occupational cancers.

Chairman Trevino made a motion to approve the following line of duty Beneficiary Pension Applications:

1. A line of duty beneficiary pension for Mrs. Krishna M. Weltens, widow of Active Fire Lieutenant Max Weltens, Jr., effective July 28, 2018.
2. A line of duty beneficiary pension for Aidan K. Weltens, dependent of Active Fire Lieutenant, Max Weltens, Jr., effective July 28, 2018, guardianship pending.
3. A line of duty beneficiary pension for Anisa T. Weltens, dependent of Active Fire Lieutenant, Max Weltens, Jr., effective July 28, 2018, guardianship pending.
4. A line of duty beneficiary pension for Andre Weltens, dependent of Active Fire Lieutenant, Max Weltens, Jr., effective July 28, 2018, guardianship pending.

The motion was seconded by Mr. Pearson.

Mrs. Weltens informed the Board that she was still gathering supporting materials to provide the Board.

Mr. Reed moved to amend the motion by postponing consideration of the Beneficiary Pension Applications until a later time to allow the applicants additional time to provide the Board supporting materials. The Amendment was seconded by Mr. Griffin. Councilman Shaw proposed that the Amendment be modified to include a date certain for the postponement. Mr. Reed accepted the proposal and re-offered the amendment that consideration of the applications be postponed for six months. The amendment carried unanimously.

**EXECUTIVE  
DIRECTOR  
REPORT:**

**2019 HOLIDAY SCHEDULE**

Mr. Schott requested approval of the 2019 Holiday Schedule for the Pension Fund Office. Vice Chairman Smith made a motion to approve. The motion was seconded by Councilman Shaw, and it carried unanimously.

**2019 MEETING SCHEDULE**

Mr. Schott requested approval of the 2019 Meeting Schedule. Vice Chairman Smith made a motion to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

**NIRS MEMBERSHIP**

Mr. Schott requested Board approval to renew the annual membership for NIRS. Chairman Trevino made a motion to approve. The motion was seconded by Mr. Pearson, and it carried unanimously.

**NCPERS MEMBERSHIP**

Mr. Schott requested Board approval to renew the annual membership for NCPERS. Mr. Griffin made a motion to approve. The motion was seconded by Councilman Shaw, and it carried unanimously.

**FINANCIAL REPORT FOR PERIOD ENDING OCTOBER 31, 2018**

Mr. Schott noted that due to the Thanksgiving holidays, the financial report for the period ending October 31, 2018 would be presented at the December Board Meeting, along with the financial report for the period ending November 30, 2018.

**COMMITTEE  
REPORTS:****PERSONNEL/AUDIT COMMITTEE**

Mr. Griffin stated that the Personnel/Audit Committee met the previous week to discuss several issues, including the Annual Budget. The first item on the agenda pertained to one of the Board's securities litigation firms, Labaton Sucharow. The Committee had previously received a presentation by Labaton regarding issues that had arisen regarding their billing practices in a recent lawsuit. The Committee had requested some additional information and it received that information at the meeting. The Committee noted that in light of the fact that the Fund has five other securities litigation firms providing portfolio monitoring services, it did not see a reason to continue its relationship with Labaton. The Committee recommended that the Board terminate Labaton Sucharow as one of its securities litigation firms, and Mr. Griffin made a motion to do so. Councilman Shaw seconded the Motion and it carried unanimously.

Mr. Griffin reported that the Committee also had discussed a proposal from G3 Public Relations to provide additional support and assistance in the upcoming Legislative Session. The Committee noted that in light of the information that the City will not oppose the Fund's Legislative Package, there was no need for the additional services and so it was not recommending any action on the proposal.

Mr. Griffin noted that as part of the budget process, the Committee also considered a request by Martin & Drought to increase its monthly retainer from \$6,000/month to \$7,500 month, and to increase the partners' hourly rate from \$350 to \$375. Mr. Griffin noted that Martin & Drought's rates had not increased since 2011. The Committee voted to recommend approval of the requested increase to the Board. Mr. Griffin moved to approve Martin & Drought's rates as indicated. The Motion was seconded by Councilman Shaw, and the Motion carried unanimously.

Finally, Mr. Griffin reported that the Committee reviewed the Proposed 2019 Annual Budget with staff. The Committee members had several questions and requested additional time to review it in more detail before finalizing it in early December. Mr. Griffin stated that he had scheduled a follow-up meeting of the Committee to review the Budget for December 12, 2018 at 11:30 a.m.

**DISABILITY COMMITTEE**

No report.

**LEGISLATIVE COMMITTEE**

Vice Chairman Smith reported that the Legislative Committee met last week to discuss and finalize the Legislative Package. The Committee discussed feedback from the City of San Antonio that it would not oppose the Fund's Legislative Package if the proposed language giving the Board discretion to increase the COLA was removed. The Committee discussed

the importance of the other language changes included in the Package, and based upon that, they voted to recommend that the Board remove the COLA language from the 2019 Legislative Package. A representative from the City of San Antonio was present at the Board Meeting and he confirmed that City staff would be recommending support of the Package if that language was removed. Vice Chairman Smith moved that the 2019 Legislative Package be amended to remove the proposed COLA language. The Motion was seconded by Councilman Shaw, and it passed unanimously.

Vice Chairman Smith stated that with the removal of the COLA language and the expected support of the Legislative Package by the City, the Committee decided there was no need to engage a lobbyist to assist the Fund during the upcoming Legislative Session. As such, the Committee directed staff to cancel the lobbyist presentations. Vice Chairman Smith noted that the Legislative Package is scheduled to be discussed at the City's IGR Committee Meeting on December 12<sup>th</sup> and at the City Council Meeting on December 13<sup>th</sup>.

Finally, Vice Chairman Smith reported that once the Legislative Package is finalized, the plan is to ask a local Senator and a local Representative to file the bills to amend the Pension Law. Vice Chairman Smith also reported that the Fund will work closely with the Pension Review Board and Legislative Council to ensure all of their questions are answered.

### **INVESTMENT COMMITTEE**

Mr. Reed stated that the Investment Committee had not met this month, but that they were scheduled to meet tomorrow, November 29 at 9:00 a.m. However, in the interim, a time-sensitive request had been received from Hancock Victorian Plantations Australia I PTY LTD, requiring Board action. Mr. Hally reminded the Board that its 1998 investment in Hancock had been uniquely structured to accommodate certain Australian tax laws. Specifically, 10% of the investment was an equity investment, and 90% of the investment was a loan. Mr. Hally informed the Board that the repayment date for the original loan was December 2018, but that Hancock had requested an extension of the loan for an additional seven years, through July 2025, to further take advantage of certain Australian tax laws. After some discussion, Mr. Reed moved to amend the HVPA I Loan Agreement to extend the repayment deadline to July 1, 2025. The Motion was seconded by Mr. Pearson and it carried unanimously.

Councilman Shaw and Councilman Perry left the meeting at 11:20 a.m.

### **SAN ANTONIO F&P PROPERTY HOLDING CORPORATION**

President Foster reported that the Board of Directors of the Property Holding Corporation met last week to review the 2019 Proposed Annual Budgets for the three buildings. Sullivan Commercial began by providing an update on the leasing activity of the three buildings. Shavano III is still 93% leased and Shavano IV is 100% leased. Parkway Center has

approximately 40,000 square feet of vacant space, but Sullivan is in the final negotiations with a company to take 20,000 feet of the space downstairs with an option to take an additional 12,000 feet upstairs in mid-2019.

Sullivan also provided an update on the Pension Fund Office expansion. The General Contractor has begun pulling permits and will be starting the demolition in the next few weeks. The cost of the expansion is expected to be approximately \$200,000, including furniture, computers, etc. Last month, the Board had recommended that the Corporation not begin demolition of the raised floor in the remaining vacant space upstairs in case a new tenant wants to keep it. The Corporation concurred.

Finally, Sullivan Commercial reviewed the 2019 Proposed Annual Budgets for the three buildings. The Corporation requested several changes to the Budgets, so they were not approved at the Meeting. A follow-up meeting has been scheduled for 12:00 noon on December 12, for final review and approval of the Budgets.

**DISBURSEMENTS:** Mr. Griffin made and Vice Chairman Smith seconded a motion to approve paying the bills, which was unanimously approved. (See attached disbursements dated November 28, 2018.)

**MEMBERS TO  
BE HEARD:** None.

**ADJOURNMENT:** Secretary Williams made a motion to adjourn the meeting at 11:37 a.m. The motion was seconded by Vice Chairman Smith, and it carried unanimously.

**APPROVED BY THE BOARD OF TRUSTEES AT THE REGULAR  
MEETING HELD ON DECEMBER 19, 2018.**

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**J. T. Trevino, Chairman**

**ATTEST:**

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**Jim Smith, Vice Chairman**